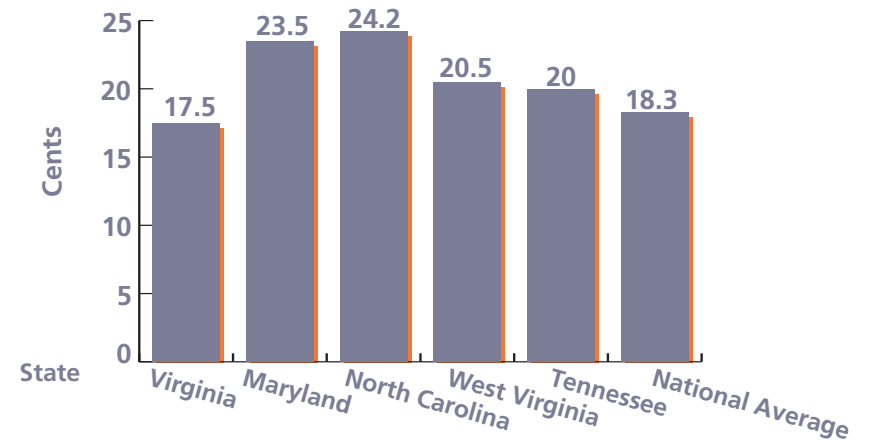


Funding Trends

Motor Fuels Taxes

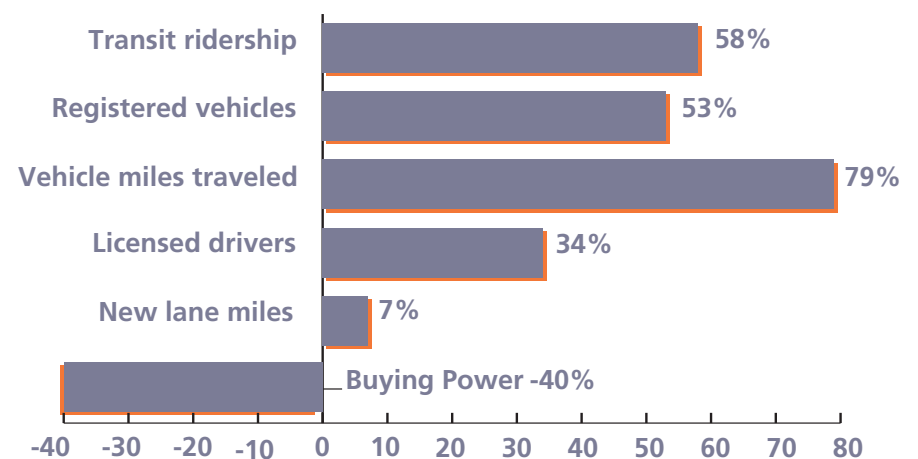
Virginia's gas tax rate is among the lowest in the nation. The state gas tax has not gone up since 1986.

State Gas Tax in Cents per Gallon



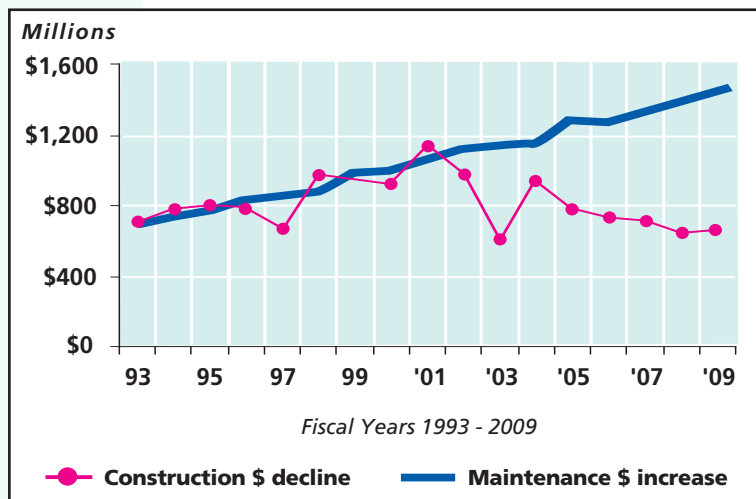
Supply vs. Demand on Virginia's Transportation System from 1986 to 2003

From 1986 to 2003, state transportation revenues lost 40 percent of their buying power as a result of inflation. New lane miles grew by 7 percent, while the number of licensed drivers, registered vehicles and vehicle-miles-traveled soared.



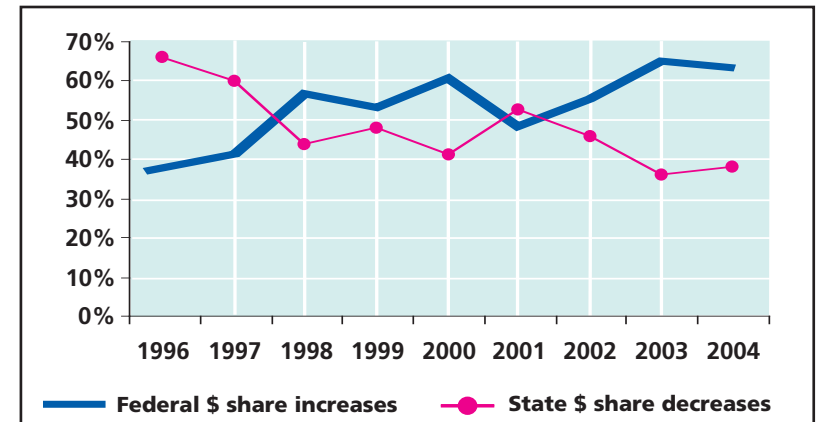
Maintenance and Construction Funding

As the transportation infrastructure ages, additional funds are needed for maintenance. The combination of rising maintenance costs and flat revenues results in less funding for construction.



Increasing Federalization of the Construction Program

Federal revenues play a growing role in the funding of highway construction projects. The federal revenue share has grown to more than 60 percent, and the state revenue share has decreased to the 40 percent range.



Increasing Debt

The percentage of construction funds that pay for debt service has increased from 1% in 1986 to 13% in 2003. The largest debt program is Federal Highway Reimbursement Anticipation Notes (FRANS), authorized by the General Assembly in the Virginia Transportation Act of 2000.

